

MEMORANDUM

TO: Superintendents of Schools, Principals, and School Board Chairs

FROM: J. Duke Albanese, Commissioner

DATE: October 11, 2001

RE: Bond on School Facilities (Question 4)

Attached is information regarding Bond Question 4 to add \$15 million to the Revolving Renovation Fund for Maine school facilities. The accompanying information and backup charts should clarify the purpose of this Bond Issue.

Thank you.

Bond Question 4: \$15 million bond would provide important loans and grants as part of a state-local repair program for schools to make necessary repairs and improvements

Question 4 on the Tuesday, November 6 Ballot: “Do you favor a \$15,000,000 bond issue to capitalize the State’s School Revolving Renovation Fund for repairs and improvements in public school facilities to address health, safety and compliance deficiencies, general renovation needs and learning space upgrades?”

The Governor’s Commission on School Facilities concluded in 1997 that Maine has serious needs statewide for school building repairs and improvements. They identified \$200 million in need for repairs, renovations, and improvements. Right now, \$60 million in applications to the State’s renovation fund are waiting for funding.

The bond issue funds a statewide program for revolving renovation loans. The State loans money to local school districts, who then receive loan forgiveness from the State (like a grant) at a percentage based on the local community’s financial capacity. Every project receives at least 30% loan forgiveness, up to a maximum of 70%.

With a state-local partnership, each dollar provided for revolving renovation loans produces a matching dollar of local commitment in the State. The goal is for the State to provide a total of \$100 million in funds, with \$100 million in local matching commitments, to meet the total of \$200 million in identified needs statewide.

The bond issue is a fiscally responsible part of the State’s commitment to repair and improve schools. The \$15 million bond issue is the latest installment in a state-local partnership for school repairs. The Legislature has already provided \$71.4 million in cash appropriations for school renovation.

The Commission noted that repairs and improvements to existing school buildings can often be a cost-effective approach to help make them a safer, healthy, and effective learning environment for Maine’s children. The renovation funds are a companion to the State’s efforts to build new schools or additions to schools.

The school renovation program funds important projects at scores of public schools in every part of Maine. To date, the program has assisted over 77 school districts from Kittery to Fort Kent in addressing health and safety issues, by funding 171 different projects in 150 school buildings that serve 45,000 Maine students.

For more information on the referendum ballot, visit the Secretary of State’s website at <http://www.state.me.us/sos/cec/elec/intco01g.htm>

Revolving Renovation Fund

Funding Analysis

\$100 Million
State Grant

\$200 Million
Identified Need

\$100 Million
Local No-Interest Loan

State Commitment

\$100 Million
State's Share

**Anticipated
\$30 Million In
Bonds**

FY 2002/2003

**\$28 Million
Appropriation**

FY 2001

**\$23.4 Million
Appropriation**

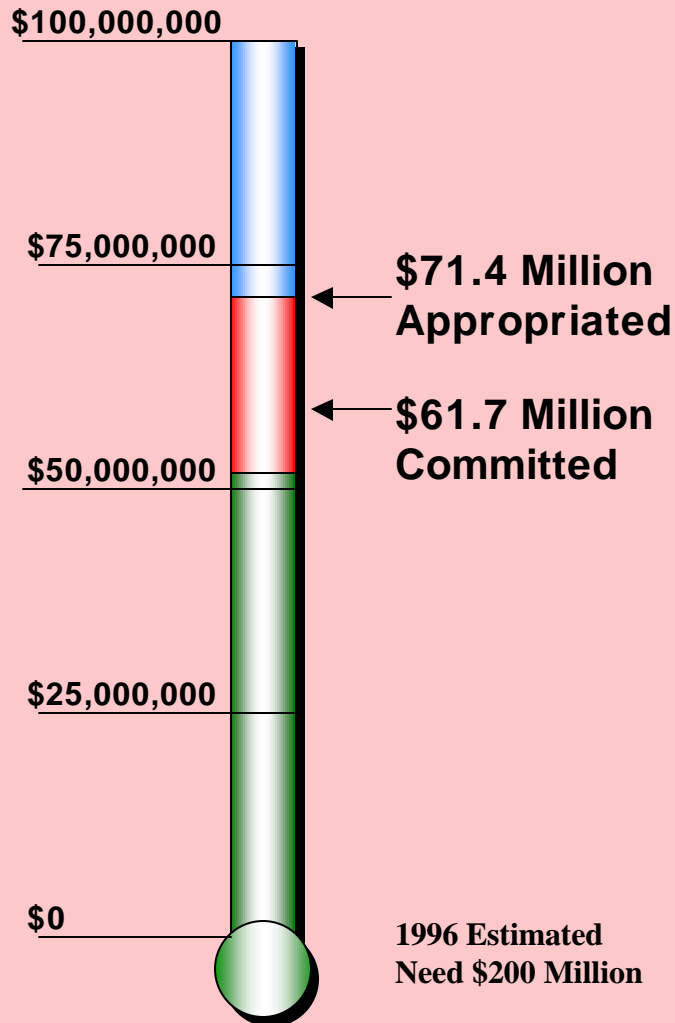
FY 2000

**\$19.4 Million
Appropriation**

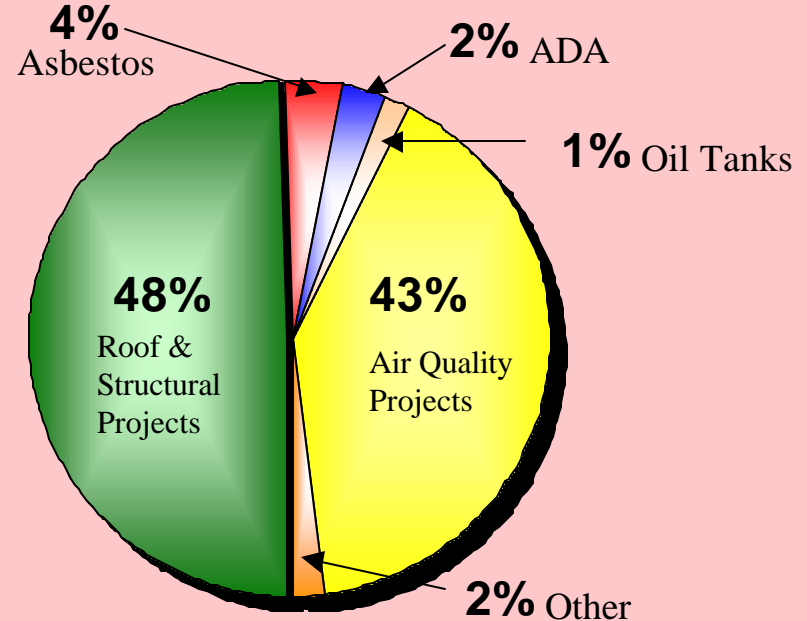
FY 1999

Revolving Renovation Fund Update 10/01/01

Funding Analysis



Allocation of Committed Funds



Renovation Fund Facts

77 School Systems Have Received Funding
150 Schools Have Received Funding
Approximately 45,000 Students Impacted
\$130 Million in Requests to Date for Priority One